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DEPARTMENT OF COMMERCE

International Trade Administration

A-570-026

Certain Corrosion-Resistant Steel Products from the People's Republic of China: Final Determination of Sales at Less Than Fair Value, and Final Affirmative Critical Circumstances Determination, in Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that imports of certain corrosion-resistant steel products (corrosion-resistant steel) from the People's Republic of China (PRC) are being sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins of sales at LTFV are listed in the "Final Determination Margins" section of this notice. The period of investigation is October 1, 2014, through March 31, 2015.

DATED: Effective Date: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Nancy Decker or Andrew Huston, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-0196 or (202) 482-4261, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the *Preliminary Determination* on January 4, 2016.¹ A summary of the events that occurred since the Department published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Final Decision Memorandum.² The Final Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Final Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed Final Decision Memorandum and the electronic version are identical in content.

Scope of the Investigation

The product covered by this investigation is corrosion-resistant steel from the PRC. For a complete description of the scope of this investigation, *see* the "Scope of the Investigation," in Appendix II of this notice.

¹ See *Certain Corrosion-Resistant Steel Products From the People's Republic of China: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination*, 81 FR 75 (January 4, 2016) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

² See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, "Issues and Decision Memorandum for the Final Determination in the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel Products from the People's Republic of China," (Final Decision Memorandum), dated concurrently with this determination and hereby adopted by this notice.

Scope Comments

In accordance with the Preliminary Scope Determination,³ the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.

For a summary of the product coverage comments and rebuttal responses submitted to the record of this final determination, and accompanying discussion and analysis of all comments timely received, *see* the Final Scope Decision Memorandum.⁴ The Final Scope Decision Memorandum is incorporated by, and hereby adopted by, this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Final Decision Memorandum accompanying this notice. A list of the issues raised and to which the Department responded is attached to this notice as Appendix I.

Verification

As provided in section 782(i) of the Act, in January 2016, the Department verified the sales and cost data reported by the mandatory respondent Yieh Phui (China) Technomaterial Co., Ltd. (Yieh Phui), pursuant to section 782(i) of the Act. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by respondents.

³ *See* Memorandum to Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Certain Corrosion-Resistant Steel Products From the People’s Republic of China, India, Italy, the Republic of Korea, and Taiwan: Scope Comments Decision Memorandum for the Preliminary Determinations,” dated December 21, 2015 (“Preliminary Scope Decision Memorandum”). *See also* Memorandum to the File, “Certain Corrosion-Resistant Steel Products From the People’s Republic of China, India, Italy, the Republic of Korea, and Taiwan: Correction to Preliminary Determination Scope Memorandum,” dated January 29, 2016.

⁴ *See* Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Scope Comments Decision Memorandum for the Final Determinations,” dated concurrently with this notice.

Changes to the Margin Calculations Since the Preliminary Determination

Based on the Department's analysis of the comments received and our findings at verification, we made certain changes to our margin calculations. For a discussion of these changes, *see* the Final Decision Memorandum.⁵

Combination Rates

As stated in the *Initiation Notice*,⁶ the Department calculated combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁷

Final Affirmative Determination of Critical Circumstances, in Part

Prior to the *Preliminary Determination*, the Department found that critical circumstances exist with respect to imports of corrosion-resistant steel from the PRC produced or exported by the PRC-wide entity (which, as noted below, includes Hebei Iron & Steel Co., Ltd. (Tangshan Branch) (Tangshan) and Baoshan Iron & Steel Co., Ltd. (Baoshan)).⁸ We are not modifying our findings for this final determination.⁹ Thus, pursuant to section 735(a)(3)(B) of the Act and 19 CFR 351.206(h)(1)–(2), we find that critical circumstances exist with respect to subject merchandise produced or exported by the PRC-wide entity, but do not exist for Yieh Phui and the other producers/exporters entitled to a separate rate.

⁵ *See* Final Decision Memorandum.

⁶ *See Certain Corrosion-Resistant Steel Products From Italy, India, the People's Republic of China, the Republic of Korea, and Taiwan: Initiation of Less-Than-Fair-Value Investigations*, 80 FR 37228 (June 30, 2015) (*Initiation Notice*).

⁷ *See* Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on the Department's website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

⁸ *See Antidumping and Countervailing Duty Investigations of Corrosion-Resistant Steel Products From India, Italy, the People's Republic of China, the Republic of Korea, and Taiwan: Preliminary Determinations of Critical Circumstances*, 80 FR 68504 (November 5, 2015).

⁹ For a full description of the methodology and results of our analysis, *see* the Final Decision Memorandum.

Separate Rate

Under section 735(c)(5)(A) of the Act, the rate for all other companies that have not been individually examined is normally an amount equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* margins, and any margins determined entirely on the basis of facts available. In this final determination, we calculated a weighted-average dumping margin for Yieh Phui (the only cooperating mandatory respondent) which is not zero, *de minimis*, or based entirely on facts available. Accordingly, we determine to use Yieh Phui's weighted-average dumping margin as the margin for the separate rate companies.

PRC-Wide Rate

In our *Preliminary Determination*, we found that the PRC-wide entity, which includes Baoshan, Tangshan, and other PRC exporters and/or producers that did not respond to the Department's requests for information, failed to provide necessary information, withheld information requested by the Department, failed to provide information in a timely manner, and significantly impeded this proceeding by not submitting the requested information. As a result, we preliminarily determined to calculate the PRC-wide rate on the basis of adverse facts available (AFA). We examined whether the highest petition margin was less than or equal to the highest calculated margin, and determined that the highest calculated margin of 255.80 percent was the higher of the two. Thus, for the *Preliminary Determination*, we assigned to the PRC-wide entity a dumping margin of 255.80 percent, the highest calculated margin. This rate was Yieh Phui's preliminary calculated margin. For this final determination, Yieh Phui's calculated margin changed to 209.97 percent, and it is still the highest calculated margin. Consistent with our practice, the Department selected Yieh Phui's highest calculated margin, as

AFA, because this rate is higher than the highest petition rate in this investigation and therefore, sufficiently adverse to serve the purposes of facts available.¹⁰ Therefore, we assigned this rate to the PRC-wide entity for this final determination. Furthermore, there is no need to corroborate the selected margin because it is based on information submitted by Yieh Phui in the course of this investigation, *i.e.*, it is not secondary information.¹¹

Final Determination Margins

The Department determines that the following weighted-average dumping margins, and cash deposit rates reflecting adjustments to the weighted-average dumping margins to account for export subsidies exist:

Exporter	Producer	Weighted-Average Dumping Margin (Percent)	Cash Deposit Rate (Percent)¹²
Yieh Phui (China) Technomaterial Co., Ltd.	Yieh Phui (China) Technomaterial Co., Ltd.	209.97	199.43
Jiangyin Zongcheng Steel Co. Ltd.	Jiangyin Zongcheng Steel Co. Ltd.	209.97	199.43
Union Steel China	Union Steel China	209.97	199.43
PRC-Wide Entity		209.97	199.43

As detailed in the Preliminary Decision Memorandum, Baoshan and Tangshan, mandatory respondents in this investigation, did not respond to our questionnaire and, thus, did not demonstrate that they were entitled to separate rates. We continue to find these companies to be part of the PRC-Wide Entity. Furthermore, because we did not receive quantity and value

¹⁰ See Final Decision Memorandum for a detailed discussion.

¹¹ See 19 CFR 351.308(c) and (d) and section 776(c) of the Act.

¹² See “Continuation of Suspension of Liquidation” section below.

questionnaire responses or separate rate applications from numerous companies, the PRC-wide entity also includes these non-responsive companies.¹³

Disclosure

We intend to disclose to parties in this proceeding the calculations performed for this final determination within five days of the date of public announcement of our final determination, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of corrosion-resistant steel from the PRC, which were entered, or withdrawn from warehouse, for consumption on or after October 6, 2015 (for those entities for which we found critical circumstances exist) or on or after January 4, 2016, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination* (for all entities for which we did not find critical circumstances exist). Further, pursuant to section 735(c)(1)(B)(ii) of the Act, the Department will instruct CBP to require a cash deposit¹⁴ equal to the weighted-average amount by which the normal value exceeds U.S. price, adjusted where appropriate for export subsidies,¹⁵ as follows: (1) For the exporter/producer combinations listed in the table above, the cash deposit rate will be equal to the dumping margin which the Department determined in this final determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be equal to the dumping margin established for the PRC-wide entity; and (3) for

¹³ See Memorandum to the File, "Quantity and Value Questionnaire Recipients" (July 16, 2015).

¹⁴ See *Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations*, 76 FR 61042 (October 3, 2011).

¹⁵ See section 772(c)(1)(C) of the Act.

all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash deposit rate will be equal to the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. The suspension of liquidation instructions will remain in effect until further notice.

As noted above, where the product under investigation is also subject to a concurrent countervailing duty investigation, we instruct CBP to require a cash deposit less the amount of the countervailing duty determined to constitute any export subsidies.¹⁶ Therefore, in the event that a countervailing duty order is issued and suspension of liquidation is resumed in the companion countervailing duty investigation on corrosion-resistant steel from the PRC, the Department will instruct CBP to require cash deposits adjusted by the amount of export subsidies, as appropriate. These adjustments are reflected in the final column of the rate chart, above. Until such suspension of liquidation is resumed in the companion countervailing duty investigation, and so long as suspension of liquidation continues under this antidumping duty investigation, the cash deposit rates for this antidumping duty investigation will be the rates identified in the weighted-average margin column in the rate chart, above.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of our final determination. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine within 45 days whether the domestic industry in the United States is materially injured, or threatened with material injury, by

¹⁶ In the companion countervailing duty (CVD) investigation, the Department preliminarily found that Yieh Phu did not receive export subsidies. As a result, we did not adjust any of the companies' AD cash deposit rates for export subsidies. In the concurrent final CVD investigation, we determined that the Yieh Phu did receive export subsidies. In addition, pursuant to section 777A(f) of the Act, we normally adjust preliminary cash deposit rates for estimated domestic subsidy pass-through, where appropriate. However, in this case in the *Preliminary Determination*, we did not grant a domestic subsidy pass-through adjustment. See Preliminary Decision Memorandum. We received no comments on this issues, and we have not changed this decision for this final determination.

reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. If the ITC determines that such injury exists, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Orders

In the event the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation subject to sanction.

We are issuing and publishing this determination and notice in accordance with sections 735(d) and 777(i) of the Act.

Dated: May 24, 2016.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Appendix I
List of Topics Discussed in the Final Decision Memorandum

- I. Summary
- II. Background
- III. Final Determination of Critical Circumstances, in Part
- IV. Scope Comments
- V. Scope of the Investigation
- VI. Changes Since the Preliminary Determinations
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- VIII. Discussion of the Issues
- Comment 1: Ocean Freight Surrogate Value
 - Comment 2: Byproduct Offset
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- IX. Recommendation

Appendix II

Scope of the Investigation

The products covered by this investigation are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, *etc.*). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

- (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and
- (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (IF)) steels and high strength low alloy (HSLA) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (AHSS) and Ultra High Strength Steels (UHSS), both of which are considered high tensile strength and high elongation steels.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (terne plate), or both chromium and chromium oxides (tin free steel), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500, 7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

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